10993

TREATIES AND OTHER INTERNATIONAL ACTS SERIES 10993

FINANCE

Consolidation and Rescheduling of Certain Debts

Agreement Between the
UNITED STATES OF AMERICA
and MALAWI

Signed at Lilongwe April 30, 1984

with

Implementing Agreement

READEX FICHE best copy available

S 9.10:

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89–497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . . the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

MALAWI

Finance: Consolidation and Rescheduling of Certain Debts

Agreement signed at Lilongwe April 30, 1984;
Entered into force June 11, 1984.
With implementing agreement.

AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF MALAWI
REGARDING THE CONSOLIDATION AND RESCHEDULING OF
CERTAIN DEBTS OWED TO, GUARANTEED OR INSURED BY
THE UNITED STATES GOVERNMENT AND ITS AGENCIES

The United States of America (The "United States") and the Government of the Republic of Malawi ("Malawi") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the Consolidation of Malawi's Debt, signed at Paris on October 27, 1983, by representatives of certain creditor nations, including the United States, and by the representative of Malawi, hereinafter referred to as the "Minute", the United States and Malawi hereby agree to consolidate and reschedule certain Malawian payments with respect to debts which are owed to, guaranteed by or insured by the United States Government or its agencies, as provided for in this Agreement.

2. This Agreement shall be implemented by a separate agreement (The Implementing Agreement) between Malawi and the United States Agency for International Development.

ARTICLE II

Definitions

1. "Contracts" mean those Agreements or other financial arrangements, listed in Annex A, which have U.S. dollar denominated maturities falling due during the period July 1, 1983, through June 30, 1984, and which relate to loans from the United States or its Agencies which had original maturities of more than one year and which were extended pursuant to an Agreement concluded before January 1, 1982.

2. "Debt" means the sum of the payments of principal, interest and fees with respect to the Contracts falling due between July 1, 1983, and June 30, 1984, inclusive, and not paid.

3. "Consolidated Debt" means eighty-five percent of the United States dollar amount of the Debt. "Non-consolidated Debt" means the remaining fifteen percent of the Debt.

4. "Interest" means interest on Consolidated Debt and Non-Consolidated Debt due on June 30, 1985 due and payable in accordance with the terms of this Agreement and on any due and unpaid installments of Interest accruing thereon. Interest shall begin to accrue at the rate set forth in this Agreement on the due dates specified in each of the Contracts for the payments of principal, interest and fees comprising the Debt, and shall continue to accrue on the outstanding balance of the Debt, including any due but unpaid installments of the Debt, until such outstanding balance is repaid in full. "Additional Interest" shall also begin to accrue at the rate set forth in the Implementing Agreement on due but unpaid installments of Interest and Debt, on the respective due dates for such installments, as established by this Agreement, and shall continue to accrue until such amounts are repaid in full.

5. "Agency" means: the United States Agency for International Development.

ARTICLE III

Terms and Conditions of Payment

1. Malawi agrees to repay the Consolidated Debt in United States dollars in accordance with the following terms and conditions:

(a) The Consolidated Debt which amounts to approximately $914,300 shall be repaid in ten equal and consecutive semi-annual installments of approximately $91,430 each plus Interest. Principal payments are payable on each January 1 and July 1, commencing on January 1, 1988.

(b) The rate of Interest on Consolidated Debt owed to the United States Agency for International Development and on any due but unpaid Interest thereon shall be 3 percent per calendar year on the outstanding balance of such Debt, plus Interest.

(c) All Interest payable with respect to the Consolidated Debt shall be payable semi-annually on January 1 and July 1 of each year, commencing on July 1, 1984.

(d) A table summarizing the amounts of Consolidated Debt owed to the United States is attached hereto as Annex B.

2. Malawi agrees to repay the Non-consolidated Debt in United States dollars in accordance with the following terms and conditions:

(a) The Non-consolidated Debt which amounts to approximately $161,300 shall be repaid as follows: (1) 7.5 percent of the Debt which amounts to approximately $80,650 plus Interest, shall be repaid according to the payment schedules contained in the Contracts; and (2) 7.5 percent of the Debt, plus Interest, shall be paid on June 30, 1985.

(b) The rate of Interest on that portion of the Non-consolidated debt due according to the payment schedules contained in the Contracts and on any due but unpaid Interest accruing thereon shall be the rate of Interest specified in the respective Contracts.

(c) The rate of Interest on Non-consolidated Debt due on June 30, 1985 and on any due but unpaid interest thereon, shall be determined pursuant to Article III, Paragraph 1(b) of this Agreement. All interest payable with respect to such Non-consolidated Debt shall be payable semi-annually on January 1 and July 1 of each year commencing on July 1, 1984.

(d) A table summarizing the amounts of Non-consolidated Debt owed to the United States Government agencies is attached hereto as Annex C.

3. It is understood that adjustments may be made, as necessary, in the amounts of Consolidated and Non-consolidated Debt by the Implementing Agreement.

ARTICLE IV

GENERAL PROVISIONS

1. Malawi agrees to grant the United States, and to any other creditor which is party to a Contract, treatment and terms no less favorable than that which may be accorded to any other creditor country or its agencies for the rescheduling or refinancing of debts covered by the Minute.

2. Except as they may be modified by this Agreement or the subsequent Implementing Agreement, all terms of the Contracts remain in full force and effect.

ARTICLE V

Entry Into Force

1. This Agreement shall enter into force upon signature of the Agreement and receipt by Malawi of written notice from the United States Government that all necessary domestic legal requirements for entry into force of this Agreement have been fulfilled.[1]

Done at Lilongwe, Malawi in duplicate, this 30th day of April, 1984.

FOR THE UNITED STATES OF AMERICA

By: John A. Burroughs, Jr.

John A. Burroughs, Jr.

Title: Ambassador

FOR THE GOVERNMENT OF THE REPUBLIC OF MALAWI

By: E.C.I. Bwanali

Title: Minister of Finance

1 June 11, 1984.

ANNEX A

Contracts Subject to Rescheduling

Agency for International Development

Loan Number

612-H-001
612-H-002
612-H-002A
612-H-003
612-H-004
612-W-005
612-W-006

Annex B

Summary of Consolidated Debt
(thousands of U.S. dollars)

Agency for International Development	914.3

Annex C

Summary of Non-Consolidated Debt
(thousands of U.S. dollars)

Agency for International Development	161.3

*Data are rounded and subject to revision per Article III, Paragraph 4.

Implementing Agreement between the United States
of America and the Government of the Republic of Malawi
Regarding the Consolidation and Rescheduling
of Repayments Due under Agency for International Development Loans

AGREEMENT, dated as of 4/30/84 by and between the United States of America, acting through the Agency for International Development ("A.I.D.") and the Government of the Republic of Malawi ("Malawi").

WHEREAS, the United States of America, acting through A.I.D., has made certain loans to Malawi;

WHEREAS, an understanding on consolidation and rescheduling of certain Malawian debts was reached on October 27, 1983 (the "Agreed Minute") among representatives of certain nations, including the United States, and agreed to by the representative of Malawi;

WHEREAS pursuant to the Agreed Minute the Government of the United States of America and the Government of Malawi have agreed to and set forth rescheduling arrangements in an agreement Between the United States of America and the Government of the Republic of Malawi Regarding the Consolidation and Rescheduling of Certain Debts Owed to, Guaranteed or Insured by the United States Government and Its Agencies, ("Rescheduling Agreement"), dated 4/30/84 and

WHEREAS the Rescheduling Agreement provides that it shall be implemented by separate agreement between Malawi and A.I.D.;

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE I

Definitions

1.1 "Contracts" mean those loan agreements listed in Annex A, which have maturities falling due during the Consolidation Period.

1.2 "Debt" means the sum of principal, interest and fees with respect to the Contracts falling due during the Consolidation Period and not yet paid.

1.3 "Consolidated Debt" means eighty-five percent (85%) of the dollar amount of the debt.

1.4 "Non-Consolidated Debt" means the remaining fifteen percent (15%) of the debt.

1.5 "Interest" means interest on debt due and payable in accordance with the terms of this Agreement and on any due and unpaid installments of Interest accruing thereon. Interest shall begin to accrue at the rate set forth in this Agreement on the respective due dates specified in each of the Contracts for each scheduled payment of Debt and shall continue to accrue on the outstanding balance of the Debt, including any due but unpaid installments of Debt, until such outstanding balances are repaid in full. Interest shall also begin to accrue at the rate set forth in this Agreement on due but unpaid installments of Interest, on the respective due dates for such Interest installments, as established by this Agreement, and shall continue to accrue until such amounts are repaid in full.

1.6 "Consolidation Period" means the period from July 1, 1983 through June 30, 1984.

ARTICLE II

Terms and Conditions of Payment

2.1 Repayment of the Consolidated Debt. Malawi agrees to repay the Consolidated Debt in United States dollars in accordance with the following terms and conditions.

(a) The Consolidated Debt, which amounts to $914,255.92, shall be repaid in ten equal and consecutive semi-annual installments of $91,425.59 plus Interest. Principal payments are payable on each January 1 and July 1, commencing on January 1, 1988 with the final installments payable on July 1, 1992.

(b) Interest on Consolidated Debt and on any due but unpaid Interest thereon shall be paid at the rate of three percent (3.0%) per calendar year on the outstanding balance of such payments. All interest with respect to the Consolidated Debt shall be payable semi-annually on January 1 and July 1 of each year commencing on January 1, 1984.

(c) A schedule listing the amounts of the Consolidated Debt owed to A.I.D. is attached hereto as Annex B.

2.2 Repayment of Non-Consolidated Debt. Malawi agrees to repay the Non-Consolidated Debt in United States dollars in accordance with the following terms and conditions:

(a) The Non-Consolidated Debt, which amounts to $161,339.24, shall be repaid as follows: (1) 7.5 percent of the Debt, plus Interest which amounts to $80,669.62, shall be repaid according to the payment schedules contained in the Contracts; (2) 7.5 percent of the Debt shall be paid on June 30, 1985.

(b) Malawi shall pay Interest on that portion of the Non-Consolidated debt due according to the payment schedules contained in the Contracts and on any due but unpaid Interest accruing thereon at the rate of interest specified in the respective Contracts.

(c) Malawi shall pay Interest on Non-Consolidated Debt due on June 30, 1985 and on any due but unpaid Interest thereon at the rate of three percent (3.0%) per calendar year on the outstanding balance of such payments due. All Interest with respect to Non-Consolidated Debt shall be payable semi-annually on July 1 and January 1 of each year commencing on June 30, 1984.

(d) A Schedule listing the amounts of Non-Consolidated Debt is attached hereto as Annex B.

2.3 It is understood that adjustments may be made as necessary, in the amounts of Consolidated and Non-Consolidated Debt reflecting disbursements on Debt during or subsequent to the Consolidation Period.

ARTICLE III

General Terms

3.1 Other Obligations. Except as otherwise expressly provided herein, payment of obligations which become due and payable by Malawi to A.I.D. pursuant to each of the Contracts shall be paid in accordance with the existing terms of the Contracts.

3.2 Full Force and Effect of the Contracts. To the extent that they are not amended herein, or rendered inconsistent hereby, the terms and conditions of the Contracts, including, but not limited to, events of default and remedies upon default, shall remain in full force and effect.

3.3 The Rescheduling Agreement. To the extent that the Rescheduling Agreement is not superseded by this Agreement, it shall remain in full force and effect.

3.4 Adjustments. The payments provided for in this Agreement, together with the figures from which such amounts are derived, are subject to correction and/or adjustment in accordance with the terms of the Rescheduling Agreement.

3.5 Place and Currency of Payment. Payments made hereunder shall be in U.S. dollars and shall be delivered to the Federal Reserve Bank, New York, for credit to the Agency for International Development (Account No. 72-00-0001).

3.6 Legal Opinion. Except as A.I.D. may otherwise agree in writing, within thirty (30) days from the date of this Agreement, Malawi shall furnish to A.I.D. a legal opinion of counsel satisfactory to A.I.D. that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of Malawi and constitutes a valid and legally binding obligation of Malawi in accordance with its terms.

IN WITNESS WHEREOF, A.I.D. and Malawi, each acting through its duly authorized representative, have caused this Agreement to be signed in their respective names and delivered as of the day and year first written above.

UNITED STATES OF AMERICA

By: Sheldon W. Cole

Sheldon W. Cole

Title: A.I.D. Representative

REPUBLIC OF MALAWI

By:

E.C.I. Bwanali

Title: Minister of Finance

ANNEX A

Contracts Subject to Rescheduling

Loan Number

612-H-001	612-H-004
612-H-002	612-W-005
612-H-002A	612-W-006
612-H-003	

AGENCY FOR INTERNATIONAL DEVELOPMENT
REPUBLIC OF MALAWI
DEBT RESCHEDULING for PERIOD 7-01-83 THRU 06-30-84

LOAN NO	DUE DATE	PRINCIPAL	INTEREST	TOTAL	CONSOLIDATED (85%) PRINCIPAL	CONSOLIDATED (85%) INTEREST	CONSOLIDATED (85%) TOTAL	NON-CONSOLIDATED (7.5% PRINCIPAL	NON-CONSOLIDATED (7.5% INTEREST	NON-CONSOLIDATED (7.5% TOTAL
612-H-001	10-27-83	$3,278.69	$2,008.20	$5,286.89	$2,786.89	$1,706.97	$4,493.86	$245.90	$150.62	$396.52
	04-27-84	3,278.69	1,967.21	5,245.90	2,786.89	1,672.13	4,459.02	245.90	147.54	393.44
H-002	09-17-83	79,968.69	76,436.70	156,405.39	67,973.39	64,971.20	132,944.59	5,997.65	5,732.75	11,730.40
	03-17-84	80,968.30	75,437.09	156,405.39	68,823.06	64,121.53	132,944.59	6,072.62	5,657.78	11,730.40
H-002A	10-10-83	12,163.25	12,000.00	24,163.25	10,338.76	10,200.00	20,538.76	912.25	900.00	1,812.25
	04-10-84	12,345.70	17,817.55	30,163.25	10,493.85	15,144.92	25,638.77	925.92	1,336.31	2,262.23
H-003	07-10-83	12,159.92	11,996.72	24,156.64	10,335.93	10,197.21	20,533.14	912.00	899.76	1,811.76
	01-10-84	12,342.32	17,812.69	30,155.01	10,490.97	15,140.79	25,631.76	925.67	1,336.95	2,261.62
H-004	12-13-83	84,129.12	83,000.00	167,129.12	71,509.75	70,550.00	142,059.75	6,309.69	6,225.00	12,534.69
	06-13-84	85,391.06	123,238.06	208,629.12	72,582.41	104,752.35	177,334.76	6,404.32	9,242.85	15,647.17
H-005	08-06-83	-0-	113,944.75	113,944.75	-0-	96,853.04	96,853.04	-0-	8,545.86	8,545.86
	02-06-84	-0-	113,944.75	113,944.75	-0-	96,853.04	96,853.04	-0-	8,545.85	8,545.85
H-006	12-13-83	-0-	19,982.85	19,982.85	-0-	16,985.42	16,985.42	-0-	1,498.72	1,498.72
	06-13-84	-0-	19,982.85	19,982.85	-0-	16,985.42	16,985.42	-0-	1,498.71	1,498.71
	TOTAL	$386,025.74	$689,569.42	$1,075,595.16	$328,121.90	$586,134.02	$914,255.92	$28,951.92	$51,717.70	$80,669.62

7.5% $80,669.62 TO BE REPAID ACCORDING TO THE PAYMENT CONTAINED IN CONTRACTS

TIAS 10993